



Bonanza Creek Energy, Inc. on behalf of HighPoint Resources

Consent Decree, Case DJ # 90-5-2-1-11484

Semi-Annual Report

Reporting Period: January 1, 2021 – June 30, 2021

August 31, 2021

HighPoint Operating Corporation ("HighPoint") is submitting this Semi-Annual Report due August 31, 2021 per the Consent Decree in the case matter of DJ # 90-5-2-1-11484. The reporting period covered by this Semi-Annual Report is from January 1, 2021 – June 30, 2021.

The following sections contain a summary of compliance with references to attachments and supporting data.

APPENDICES

HighPoint has plugged and abandoned the ANSCHUTZ 5-61-33-57, CD ID # 9AC4. The ANSCHUTZ 5-61-33-57 will be removed from the A.1 appendix.

HighPoint has plugged and abandoned the ANSCHUTZ WINDMILL 5-23H/13-23H/ASBS, CD ID # 9382. The ANSCHUTZ WINDMILL 5-23H/13-23H/ASBS will be removed from the A.1 appendix.

Per Paragraph 91 of the Consent Decree, HighPoint has completed Form 6 - Well Abandonment Report and APEN Cancellation Request for P&A'd facilities . Records of the Form-6 and APEN cancellations are retained by HighPoint.

A list of facilities permanently plugged and abandoned is included on the Appendices tab of the 08.31.21 HighPoint_SARAttachment excel spreadsheet.

DEVELOPMENT OF AN OPEN LOOP MODELING GUIDELINE and DEVELOPMENT OF A CLOSED LOOP VCS DESIGN GUIDELINE (Attachment A)

Paragraph 38.a Requirement: "A copy of the Open Loop Modeling Guideline or Closed Loop Design Guideline if they were revised during the reporting period."

HighPoint has no revisions to report regarding the Open Loop and Closed Loop Modeling Guidelines.

VCS FIELD SURVEY, ENGINEERING EVALUATION, AND MODIFICATION and CLOSED LOOP VCS FIELD SURVEY AND ENGINEERING EVALUATION (Attachment B)

Paragraph 38.b Requirement: "Status and/or completion of either the Open or Closed Loop Engineering Evaluations and any Open Loop Vapor Control System modifications, including a list of any Tank Systems Shut-In for which either an Open or Closed Loop Engineering

Evaluation or any Open Loop Vapor Control System modifications resulting from the Open Loop Engineering Evaluation have not been performed, a summary of modifications to Open Loop Vapor Control Systems completed during the reporting period, and the information specified in either Appendix B, subparagraph 3(b)(3) or Appendix C, subparagraph 2(b)(3) for Tank Systems that underwent the subparagraph Appendix B, subparagraph 3(a)–(b) or Appendix C, subparagraph 2(a)–(b) (Field Survey) evaluation during the reporting period.”

HighPoint has previously submitted a one-time evaluation of the condition of all PRVs, thief hatches, blowdown valves, mountings, and gaskets at each tank in the Vapor Control System at facilities listed in Appendix A.1 and A.2. There is no additional reporting at this time.

OPEN LOOP VCS INITIAL VERIFICATION and CLOSED LOOP VCS VERIFICATION OF ENGINEERING EVALUATION (Attachment C)

Paragraph 38.c Requirement: *“The information identified in Appendix B, subparagraph 4(b) (Open Loop Vapor Control Systems Certification of Completion Report) or Appendix C, subparagraph 3(c) (Closed Loop Vapor Control Systems Certification of Completion Report).”*

HighPoint has no changes to the open loop certification of completion report.

Appendix C, subparagraph 3(c) (Closed Loop Vapor Control Systems Certification of Completion Report)

HighPoint has no changes to the closed loop certification of completion report.

OPEN LOOP VCS POST-CERTIFICATIONS OF COMPLETION MODIFICATIONS and CLOSED LOOP VCS MODIFICATION (Attachment D)

Paragraph 38.d Requirement: *“A summary of any evaluations undertaken pursuant to Appendix B, Paragraph 5 or Appendix C, subparagraph 2(d) during that reporting period to determine whether modifications were necessary at Vapor Control Systems for other Tank Systems and the timing, results, locations, and description of any modifications of other Vapor Control Systems or a timeline for the completion such modifications.”*

Open Loop Vapor Control System Post-Certification of Completion Modifications (Appendix B, Paragraph 5)

Due to regulation changes in Colorado, three facilities were modified to control loadout operations. Before modification, the design analysis for each facility was modified to successfully demonstrate peak modeled pressure remains under 14 oz. *Att. D Post Cert Mods* summarizes the updated design analyses for the 70 Ranch 5-63-27 PAD, 70 Ranch 5-63-22-58H, and 70 Ranch 4-63-3.

Please see Excel Spreadsheet:

"08.31.21 HighPoint_SARAttachment_Protected" for Att. D Post Cert Mods

Closed Loop Vapor Control System Modification (Appendix C, subparagraph 2(d))

HighPoint has nothing to report regarding Closed Loop Vapor Control System Modification

CLOSED LOOP VCS ALARM AND SHUT-IN LOG (Attachment E)

Paragraph 38.e Requirement: *"A copy of the alarm and Shut-In log required under Appendix C, subparagraph 3(d), in a spreadsheet."*

Closed Loop Vapor Control System Alarm and Shut-In Log (Appendix C, Subparagraph 3(d))

HighPoint is providing a copy of the alarm and Shut-In log in spreadsheet form in Attachment E Closed Alarm & SI Log. For duration of alarm we are providing the duration of time at or above either the trigger point, leak point, or set point. By way of example, if leak point but not set point was exceeded, then only the duration of time above leak point and below set point is provided, not the duration of time above trigger point and below leak point.

Please see Excel Spreadsheet:

"08.31.21 HighPoint_SARAttachment_Protected" for Att. E Closed Alarm and SI Log

DIRECTED INSPECTION AND PREVENTATIVE MAINTENANCE PROGRAM ("DI/PM") (Attachment F)

Paragraph 38.f Requirement: *"Status of DI/PM program development and implementation, including a copy of HighPoint's DI/PM program if revised during the reporting period, identification of any new or modified maintenance or inspection schedules"*

or replacement program (see subparagraph 10(c)) during the reporting period, a summary of any reviews of or modifications to the spare parts program (see subparagraph 10(d)) during the reporting period, and, beginning with the Semi-Annual Report due August 29, 2020, the information required by subparagraph 10(g)(5)."

Directed Inspection and Preventative Maintenance Program (Paragraph 10):

HighPoint has no changes to the DI/PM program.

PERIODIC INSPECTIONS AND MONITORING (Attachment G)

Paragraph 38.g Requirement: *"The information identified in subparagraph 11(c) for periodic inspections and monitoring."*

Periodic Inspections and Monitoring (Paragraph 11)

HighPoint is providing a copy of the inspection and monitoring log in spreadsheet form in Attachment G PM. The log includes completed inspections and any instance where Reliable Information was observed, and completed corrective actions. Note, a new column (Column O) has been added to identify facilities that have been shut-in since March 2019 and do not require preventative maintenance. HighPoint does inspect the SI facilities monthly by AVO although not required by the Consent Decree.

Please see Excel Spreadsheet:

"08.31.21 HighPoint_SARAttachment_Protected" for Att. G PM

RELIABLE INFORMATION, INVESTIGATION, AND CORRECTIVE ACTION (Attachment H)

Paragraph 38.h Requirement: *"Copies of the spreadsheets as specified and required by subparagraphs 12(b)–(d) for inspections conducted pursuant to Paragraph 12 during the reporting period and the results of any Root Cause Analysis as specified and required pursuant to subparagraph 12(e)(1) during the reporting period."*

Reliable Information, Investigation, and Corrective Action (Paragraph 12)

HighPoint is providing a copy of the Reliable Information, Investigation, and Corrective Action log in spreadsheet form in Attachment H RI.

HighPoint's 2020 Q4 root cause analysis and 2021 Q1 root cause analysis are provided with this Semi-Annual Report as attachments.

Please see Excel Spreadsheet:

"08.31.21 HighPoint_SARAttachments_Protected" for Att. H RI

Please See Attachments

"HighPoint_RCA_083121"

OPEN LOOP VCS VERIFICATION OF DESIGN ANALYSIS (Attachment I)

Paragraph 38.i Requirement: *"The Verification Report identified in subparagraph 6(e) (as applicable), and the status of any ongoing verification."*

HighPoint has updated the Verification Report submitted with the August 31, 2021 Semi-Annual Report. HighPoint will continue to include this information in the semi-annual report because of long-term shut-in tank systems requiring to be plugged and abandoned.

Please see Excel Spreadsheet:

"08.31.21 HighPoint_SARAttachments_Protected" for Att. I OpenLoop DA Verification

TANK PRESSURE MONITORING (Attachment J)

Paragraph 38.j Requirement: *"Status and/or completion of installation of pressure monitors, including the information specified and required by subparagraph 15(g)."*

HighPoint has no reporting requirements for Tank Pressure Monitoring (Paragraph 15) for this reporting period. Please refer to TEMS data.

ENVIRONMENTAL MITIGATION PROJECT (Attachment K)

Paragraph 38.k Requirement: *"A summary of activities undertaken during the reporting period and a summary of costs incurred since the previous report."*

Environmental Mitigation Project (Section V and Appendix D)

HighPoint has completed all necessary requirements of the mitigation project.

STATE-ONLY SEP(s) (Attachment L)

Paragraph 38.l Requirement: *"A summary of activities undertaken and costs incurred since the previous report."*

On October 10, 2019, Volunteers for Outdoor Colorado (VOC) acknowledged HighPoint's contribution of \$220,000 through the State's Supplemental Environmental Projects program.

PROBLEMS (Attachment M)

Paragraph 38.m Requirement: *"A summary of any problems encountered or anticipated in complying with this Consent Decree during the reporting period, together with implemented or proposed solutions, if available."*

There are no problems to report at this time.

Non-Compliance (Attachment N)

Paragraph 38.n Requirement: *"A description of any non-compliance with the requirements of this Consent Decree during the reporting period and an explanation of the likely cause and of the remedial steps taken, or to be taken, to prevent or minimize such violation."*

During review of the TEMS alarm log, HighPoint discovered on 6/19/21 the Anschutz Coffelt 5-61-35 NWNW facility failed to perform an emergency shut down after the TEMS system reached leak point. It was determined the TEMS box communicated the leak point alarm to the automation systems on-site and ESD failed. On 6/21/21 at 3:37 PM the operator noticed the facility was operational, but the TEMS box was in an alarm state. The operator placed the system into normal run mode and our automation team restored ESD capabilities to the facility.

CERTIFICATION

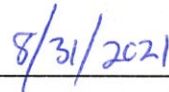
Pursuant to Paragraph 41 of the COC, I certify under penalty of law that this document and all attachments were prepared under my direction or supervision in accordance with a system designed to assure that qualified personnel properly gather and evaluate the information submitted. Based on my inquiry of the person or persons who manage the system, or those persons directly responsible for gathering the information, the information submitted is, to the best of my knowledge and belief, true, accurate, and complete. I am aware that there are significant penalties for submitting false information, including the possibility of fine and imprisonment for knowing violations.

A handwritten signature in blue ink, appearing to be "DT", written over a horizontal line.

Dean Tinsley

Sr. Vice President of Operations

Bonanza Creek Energy, INC. on behalf of HighPoint Resources

A handwritten date "8/31/2021" in blue ink, written over a horizontal line.

Date